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REPORT ON THE IMPLEMENTATION OF THE RECOMMENDATIONS OF THE JOINT INSPECTION UNIT FOR UNITED NATIONS DEVELOPMENT SYSTEM SUPPORT TO THE IMPLEMENTATION OF THE BUENOS AIRES PLAN OF ACTION FOR PROMOTING AND IMPLEMENTING TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES

Report of the Administrator

SUMMARY

The present report has been prepared in response to paragraph 4 of decision 6/7 of the High-level Committee and contains information on the progress of implementation of the recommendations of the report of the Joint Inspection Unit 1/ concerning United Nations development system support to the implementation of the Buenos Aires Plan of Action (BAPA).

The report presents a synthesis of the information provided by the organizations of the United Nations development system. It highlights the progress made, and the difficulties being encountered, by the organizations in implementing the recommendations of the Joint Inspection Unit.

The Committee's attention is drawn to paragraphs 39 to 41, which contain the Administrator's conclusions.

Introduction

1. The High-level Committee at its sixth session requested the Administrator of the United Nations Development Programme (UNDP) to report to the High-level Committee at its seventh session on the progress of the implementation of all recommendations of the Joint Inspection Unit (JIU) on TCDC during the biennium.

2. In compliance with this request, 36 agencies and organizations of the United Nations development system (UNDS) were invited to provide the needed information. As of 28 February, replies were received from the following 22 organizations: Economic Commission for Latin America and the Caribbean (ECLAC), Food and Agriculture Organization of the United Nations (FAO), International Civil Aviation Organization (ICAO), International Atomic Energy Agency (IAEA), International Maritime Organization (IMO), International Telecommunication Union (ITU), International Trade Centre UNCTAD/GATT (ITC), International Research and Training Institute for the Advancement of Women (INSTRAW), United Nations Centre for Human Settlements (UNCHS), United Nations Conference on Trade and Development (UNCTAD), Department of International Economic and Social Affairs (DIESA), Department of Technical Cooperation for Development (DTCD), United Nations Environment Programme (UNEP), United Nations Educational, Scientific and Cultural Organization (UNESCO), Office of the United Nations High Commissioner for Refugees (UNHCR), United Nations Industrial Development Organization (UNIDO), United Nations Institute for Training and Research (UNITAR), Universal Postal Union (UPU), World Food Programme (WFP) and World Tourism Organization (WTO).

3. For ease of reference, each of the recommendations of the JIU that is applicable to agencies and organizations of the UNDS is reproduced below, followed by a synthesis of the information which agencies and organizations have provided for this report.

4. Recommendation 1

> "(a) The UNDS organizations should consider the BAPA as a binding legislative framework for their TCDC activities. When specific legislation is enacted, it should clearly indicate concrete tasks to be accomplished in the area of TCDC and authorize allocation of resources required for that purpose.
>
> "(b) Governing bodies should avoid laying down mandates for ECDC and TCDC in the same legislation: each should be addressed separately.
>
> "(c) Reporting and accountability should, similarly, be identified separately, and governing bodies should regularly, at least every two years, consider their organization's TCDC activities as a separate agenda item."

Response of the organizations

Recommendation 1 (a)

5. As noted in the report of the Administrator submitted at the sixth session of the High-level Committee on the status of implementation of the recommendations of JIU (TCDC/6/6, 10 March 1989) virtually all the governing bodies of agencies and organizations of the UNDS have reportedly endorsed the Buenos Aires Plan of Action (BAPA) and have indicated that they consider it to be the basic framework for their actions in support of TCDC. The organization's endorsements have taken the form of numerous resolutions and other official actions intended to further the use of TCDC modalities in their technical cooperation activities. Three organizations have reported further action in support of TCDC during the past biennium: ITU, whose Plenipotentiary Conference in 1989 recognized TCDC explicitly as a mandate of ITU and assigned a budgetary allocation; UPU, which adopted a resolution at its Washington Congress in 1989, calling upon the organization and member countries to promote and support TCDC modalities; UNIDO, which adopted a resolution calling for cooperation with UNDP with respect to INRES-South.

6. UNCTAD notes that the Declaration and Programme of Action of the Second United Nations Conference on the Least Developed Countries, held in Paris in 1990, emphasizes the need for strengthened economic and technical cooperation between least developed countries and other developing countries, makes specific recommendations, and highly recommends TCDC in this regard.

7. It should be noted, however, that with respect to recommendation 1 (a), there appears to be some confusion regarding the precise meaning of the terms "legislation" and "binding legislative framework". Only two bodies (DTCD and ECLAC) indicate using the latter term in reference to BAPA. One agency (ITU) questions whether BAPA should be considered to be "binding", and although reporting the resolution of its Plenipotentiary Conference referred to above, states that "no specific legislative measures have been enacted".

8. In spite of these questions of definition and terminology, it is clear that all reporting organizations continue to accept BAPA as the basic framework within which TCDC is to be promoted and supported. The information provided by UNDS for the present report appears to indicate that apart from a few new resolutions enacted by several organizations, the status of implementation of the recommendation has not changed significantly during the past two years, and is, in fact, basically at the same level as when the JIU report was formulated, at which time a large number of resolutions and other decisions concerning TCDC were already in effect. (See paras. 12 and 13 of the JIU report. 1/) The conclusion would seem to be that UNDS agencies and organizations consider that existing mandates and legislation are basically adequate. In confirmation of this view is the fact that no organization has cited lack of legislation among the difficulties impeding more widespread application of TCDC modalities.

Recommendations 1 (b) and (c)

9. Five organizations have commented on the relationship between TCDC and ECDC as it affects their legislative and reporting procedures. These are ECLAC, FAO, ITU, UNCTAD and UNIDO. The reason for the somewhat limited response appears to be the fact that ECDC may not have yet figured significantly in the activities of some of the smaller agencies. From the information provided, it is evident again that the situation regarding implementation of recommendations 1 (b) and (c) as they relate to ECDC and TCDC does not appear to have changed since the report was submitted to the High-level Committee at its sixth session, at which time it was reported that agencies maintain different approaches to this question. Specific comments of the five organizations referred to above can be briefly summarized as follows.

10. ECLAC reports that TCDC is a separate agenda item in the legislative body of the Commission through its sessional committee on cooperation among developing countries and regions. In turn, the ECLAC secretariat reports to this Committee on the progress made in implementing the BAPA in the corresponding biennium.

11. FAO reports that separate reporting and accountability have been achieved to a large extent, but finds some grey areas that complicate the process since a single activity may promote both ECDC and TCDC simultaneously. UNCTAD states that while ECDC and TCDC have not been addressed in the same legislation, the organization sees no reason why they should not be since the two activities are often complementary.

12. Within UNCTAD reporting on ECDC is handled separately. TCDC is not considered as a separate agenda item and is discussed in the Working Party on Planning. ITU has stated that the organization does not mix up ECDC and TCDC without commenting further on the recommendation.

13. UNIDO reports that legislation normally takes the form of resolutions and decisions under the heading of ECDC, which under the Caracas Programme of Action is deemed to include TCDC. The most recent decision of UNIDO's Industrial Development Board (IDB, 6 Dec/11) finally brings the two together as "virtually a joint entity", and ECDC and TCDC are not reported on separately. The basis of this arrangement appears to be UNIDO's conviction that in so far as industrial development assistance to developing countries is concerned ECDC and TCDC are so closely interconnected that separate legislative and reporting procedures would not be meaningful.

14. Recommendation 2

> "In their support to TCDC activities, the UNDS organizations should observe the following main characteristics and definition of TCDC projects:
>
> "(a) Agreement between two or more developing country Governments participating in a TCDC activity. The terms of this agreement should be

reflected in project documents. Specific TCDC techniques and mechanisms should be apparent.

"(b) Government execution arrangements with active UNDS participation in project initiation. The role of UNDS should be limited to the identification of TCDC solutions, bringing parties together and, at Governments' request, giving technical support to project elements not available under TCDC arrangements.

"(c) The financial support of UNDS should be limited to financing foreign exchange component(s) like travel expenses outside the host country and the cost of foreign equipment and supplies in accordance with UNDP rules."

Response of the organizations

Recommendation 2 (a)

15. As reported at the sixth session of the High-level Committee, there is general agreement that this recommendation has helped to clarify the concept of TCDC and sets out clearly the main elements that distinguish a TCDC modality from a traditional technical cooperation activity. Agencies generally strive to adhere to the concept and provisions of the recommendation in practice, but must sometimes do so with flexibility, particularly in the case of LDCs and others which may need additional support, particularly for local costs. Several organizations have also mentioned that the Training Manual published by UNDP's Special Unit for TCDC has helped to clarify the TCDC concept, and that there is less confusion on the subject than formerly, although it has not been entirely eliminated.

Recommendation 2 (b)

16. At the same time, in practice at the field level, it is noted that TCDC and traditional "North-South" cooperation as well as "South-South" cooperation are highly complementary and often merge together, making it difficult to assign a separate TCDC label to a given project component. UNESCO, along with some other agencies has stressed this point, and cautioned that the concept of TCDC should not be overdrawn as if it were an entirely unique phenomenon recently discovered, or a modality that is in competition with other approaches to technical cooperation.

Recommendation 2 (c)

17. UNCTAD also reports that it does not make a clear distinction between the TCDC modality and other related activities which aim at sharing experience and technical capacities between developing countries as long as the ultimate purpose is close cooperation among developing countries.

18. Recommendation 3

"(a) The Administrator of UNDP should review the staffing level of the Special Unit for TCDC in the light of current responsibilities as well as any new functions which might arise as a result of recommendation 4 of this report.

"(b) Other organizations which have not yet done so, should, within the limits of their existing resources, establish or strengthen their TCDC focal points by designating for this purpose a full-time post(s), with clear authority to disseminate the TCDC principle throughout the organizations' programmes and assist Governments in ensuring that the principle is translated into concrete TCDC projects. The smaller organizations may entrust TCDC focal point functions on a part-time basis -preferably to the heads of units responsible for technical cooperation. Programmers and field officers should be instructed to monitor and report regularly via the focal point to the executive head."

Response of the organizations

Recommendation 3 (a)

19. The Administrator has reviewed the staffing level of the Special Unit for TCDC in the light of its current responsibilities and his position on this is before the High-level Committee at its present session. 2/

Recommendation 3 (b)

20. All the organizations that have provided information for this report state that they have established some kind of TCDC focal point, and from the information available from other sources, it is known that virtually all agencies and organizations of the UNDS have also done so. These focal points are invariably located in a major unit of the organization having important responsibility for technical cooperation activities, as recommended. The broad functions of the focal points are to infuse the concept and practice of TCDC throughout the organization's technical cooperation programmes and report on TCDC activities.

21. Few organizations, however, appear to have established full-time TCDC focal point positions. The unit designated as the focal point generally has responsibilities relating to other technical cooperation activities as well, and staff appear in most cases to share these with specific TCDC responsibilities. However, replies on this matter were not sufficiently detailed to form a definitive judgement on this point. One of the best developed focal points is reported to be that of FAO, which has established two Professional posts whose incumbents deal primarily, if not exclusively, with TCDC, and are linked closely with the focal points located in the technical and operational divisions of FAO's field offices. In DTCD the focal point responsibility is under the authority of the Director of the Policy,

Programming and Development Planning Division. An officer in the Division's Country Programming and Evaluation Branch has been assigned responsibility for TCDC. In keeping with its position on ECDC/TCDC linkages, UNIDO has established a joint focal point for both activities with eight full-time and one half-time posts. A review is pending with a view to giving the focal point clearer authority. ECLAC reports that the TCDC focal point is one full-time position at level P-5 in the Commission's Division of Operations.

22. Recommendation 4

"(a) Country programming:

"(i) In the course of country programming exercises, UNDP should examine with Governments the desirability of identifying development sectors, the sub-sectors and projects, including project components (e.g., human resources development, appropriate technology, rural development, etc.) which may be more suitable for the TCDC modality and/or other innovative and less costly methods of technical cooperation delivery. Locally available capacities and TCDC potential should be indicated in country programme documents.

"(ii) At the project formulation stage, project requirements should be matched against TCDC capacities. Governments should be informed that the commitment of country IPF resources will be approved only after the Administrator is satisfied that TCDC or another less costly modality of project implementation has been explored.

"(iii) The principle of continuous programming should be used for a fresh scrutiny of ongoing projects in order to find out whether some of these or parts thereof might not be more economically executed under the TCDC modality.

"(b) Regional programming:

"(i) The regional programming meetings organized by UNDP should henceforth include a detailed examination of TCDC opportunities. As in the case of country projects, the Administrator should be satisfied that TCDC possibilities have been explored prior to the approval of regional projects. This should involve active preparatory work and the participation of the Special Unit for TCDC at the meetings.

"(ii) United Nations system support to subregional and regional institutions should henceforth be oriented towards their transformation into effective instruments of TCDC along the following lines:

"- existing and new institutions should come under full government management;

"- United Nations support should be provided using the TCDC modality as defined in recommendation 2 of this report, and should concentrate on building technical and project-executing capacities as far as possible;

"- the institutions should increasingly be used as executing agents of intercountry activities falling within their area of competence, either directly or through subcontract arrangements with United Nations system organizations.

"(c) Interregional and global programming:

"(i) Based on positive experience with the interregional project, 'Promotion of Action-oriented TCDC Activities', this project should be made a continuing programming component of UNDP.

"(ii) Training of government operational staff on the processing and implementation of TCDC projects similar to the Associate Expert Scheme of UNDP, should be developed. An umbrella TCDC project to that effect could be the most appropriate solution.

"(iii) Both of these should be entrusted to the Special Unit for TCDC and should be financed from interregional and global IPF resources."

Response of the organizations

Recommendation 4 (a)

23. All organizations which have commented on recommendation 4 (a) (iii) state that they assess the feasibility of incorporating TCDC modalities into projects at the design stage to the extent possible. ECLAC reports that this is now standard procedure with respect to each stage in the project cycle, which includes the idea, design, implementation and evaluation phases. The Commission states that its experience has been positive. FAO, ITU, UNCHS, ITC, DTCD, UNESCO and UPU report a similar approach.

24. The Governing Council of UNDP has mandated TCDC as one of the six themes to be prioritized in UNDP's support to national capacity-building and strengthening endeavours in the fifth programme cycle. This recommendation complements, in considerable measure, the strategy being developed to mainstream TCDC in the programming process for the fifth cycle and would be taken into account in building that strategy, and the attendant procedures, bearing in mind the prerogative of Governments of developing countries ultimately to determine their own national priorities and project execution methodologies best suited to their needs.

25. It is less clear to what extent organizations make use of "continuous programming", as defined in the recommendation, namely, fresh scrutiny of ongoing projects. FAO states that this is done whenever feasible. ITU states that all existing projects to be extended into UNDP's fifth programming cycle will be so scrutinized, and cites several specific projects as examples. Other organizations have not addressed the issue. From the comments received, it is apparent that organizations attach chief importance to the identification of potential TCDC modalities at an early stage in the formulation of projects.

Recommendation 4 (b)

26. Under the strategy for the fifth cycle, renewed emphasis would be given to the consideration of TCDC opportunities in regional programmes. The Special Unit for TCDC is increasingly being invited to participate in regional programming meetings and to advise on the use of TCDC modalities in regional programmes. This trend is expected to intensify in the time ahead. Under UNDP's regional programmes, a number of subregional and regional institutions are being supported with the intention of enabling them to develop self-reliance. This should help to transform them into effective instruments of TCDC. However, the ability of some of these institutions to maintain their effectiveness remains somewhat fragile and highly dependent on the willingness of the cooperating Governments, to assume full managerial and financial responsibilities, on a continuing basis, as UNDP's support phases out.

27. Information regarding the implementation of recommendation 4 (b) (ii) is somewhat incomplete as few organizations have commented on these points. FAO states that increasing use is being made of regional bodies as executing agency, and cites the Southeast Asian Fisheries Development Center (SEAFDEC) as an example. DTCD notes that modalities of project execution rest with Governments rather than agencies.

28. ITU reports that it is following the recommendation in numerous instances. Examples cited include the Kinshasa-based Pan African Telecommunication Union which has been implementing certain elements of major ITU projects, and several other regional organizations in Africa and Latin America. ITU also notes that decentralization of project implementation to regional and subregional organizations erodes the resources of small agencies which are largely dependent on support costs for their technical cooperation programmes.

Recommendation 4 (c)

29. The project INT/83/904 - Promotion of action-oriented TCDC activities - has been continued for well over seven years and in that period it has supported a substantial number of TCDC promotional activities of developing countries. It has been succeeded by project INT/90/901 - Support for the promotion of TCDC - which, as the title implies, is continuing support to TCDC promotional activities of developing countries, with several new dimensions developed as a result of constructive experiences gained in the implementation

of the former project. Training of government officials, recommended in the JIU report, continues to be an important component of this new project. These projects are being financed from SPR rather than the interregional and global IPFs, as recommended in the JIU report, as the Governing Council's allocation from SPR for TCDC for the fourth cycle has made this possible.

30. Recommendation 5

"(a) All organizations of UNDS with the exception of UNDP should earmark no less than 10 per cent of their technical cooperation resources for TCDC activities, and additionally establish TCDC trust funds when appropriate. Support to TCDC should be explicitly emphasized in medium-term plans and should be introduced in programme budgets as a separate subprogramme of technical cooperation.

"(b) The Governing Council of UNDP should review its decision on the 10 per cent limit on country IPF for TCDC with a view to its elimination and the relaxation of existing policies on the reimbursement of national expenditure for TCDC operational projects.

"(c) The developing countries should, in keeping with their regional priorities, consider earmarking a reasonable percentage of the regional IPF for the financing of regional TCDC projects.

"(d) The Governing Council should consider allocating a sizeable percentage of interregional and global IPFs for TCDC projects."

Response of the organizations

Recommendation 5 (a)

31. Of all the recommendations contained in the JIU report, this one appears to have been met with the least degree of compliance. A sizeable group of the organization have pointed out that either they are not funding agencies, or are totally dependent on unpredictable extrabudgetary resources for the promotion and support of TCDC, and therefore not in a position to implement the recommendations. This group includes some of the smaller, technical agencies, including ICAO, IMO and UNCHS.

32. Among the large organizations - while some report including TCDC as a separate item in their medium-term plans - there is virtually no indication of support for the concept of a separate subprogramme or budget provision for TCDC, on the grounds that such a practice would tend as FAO has phrased it, "to compartmentalize TCDC as a separate entity rather than encourage its promotion in all sectors of the organizations". The same view has been expressed in various ways by DTCD and UNESCO, as well as UNIDO, which links ECDC and TCDC as explained above and considers that together they are a common element in the five priority areas of industrial development on which the organization is concentrating.

33. With respect to the recommendation that organizations earmark no less than 10 per cent of their technical cooperation resources for TCDC, the reactions largely are that this would be inadvisable. UNESCO considers that such an earmarking is "too simplistic" and would tend to undermine occasions when a higher ratio should prevail. ECLAC considers such an earmarking to be unrealistic "considering the stance of its member countries on budgetary matters". FAO states that "the nature of TCDC projects precludes prior earmarking of TCDC funds". UPU provides for no fixed percentage of resources for TCDC.

34. Only UNCTAD reports that it has established several trust funds to receive contributions from developing countries for specific technical cooperation activities of benefit to other developing countries. Several agencies have stated that they do not consider such funds appropriate or useful for the purpose of promoting TCDC; and for the idea to gain acceptance, much stronger promotional activities would be needed.

35. In spite of the views just summarized, several agencies report that in fact their actual support of TCDC equals or exceeds 10 per cent. For example, ITU reports that allocations have risen from 0.3 per cent to close to 10 per cent between 1982 and 1988 and will reach at least 10 per cent by 1992. DTCD states that over the years the Department has utilized over 10 per cent of its regular programme resources for TCDC, and ECLAC estimates that it provides considerably more than 10 per cent in real terms per year. UNIDO reports allocating 10 per cent of its regular programme resources and 15 per cent of its Industrial Development Fund for ECDC/TCDC together. The conclusion appears to be that although separate earmarking of funds and budgetary provisions for TCDC are generally considered to be inadvisable, organizations nevertheless try to comply with the basic objective and spirit of the recommendation, which is to increase, over time, the amount of agency resources allocated for the support of TCDC.

Recommendation 5 (b)

36. In framing this recommendation, perhaps the fact was overlooked that under the current procedures governing national execution every developing country remains at liberty to use, if it so chooses, up to 100 per cent of its country IPF on TCDC activities benefiting itself. The limit of 10 per cent, or $7.5 million, whichever is smaller, applies only to IPF expenditures benefiting other countries. In practice, this limit has posed no problem as no developing country has yet reached this level of expenditure of its IPF in financing its TCDC support to other developing countries.

Recommendation 5 (c)

37. It is to be noted that this recommendation is addressed to Governments of developing countries. In so far as the Administrator is concerned, a conscious effort is continuing to be made to utilize TCDC modalities in the implementation of regional IPF-funded projects. In accordance with the progress report 3/ submitted to the Committee at its sixth session, 37.1 per cent of expenditures under regional IPFs in the 1987-1988 period had

been on TCDC activities. In another report 4/ before the Committee at its present session the expenditure under regional IPFs in the 1989-1990 period for TCDC activities had reached 29.8 per cent.

Recommendation 5 (d)

38. It may be noted that this recommendation is addressed to the Governing Council. The Administrator, however, reported to the Committee at its sixth session 5/ that in the 1987-1988 biennium 25 per cent of expenditure under interregional and global IPFs had been made on TCDC activities. In the fifth cycle the trend to explore the possibilities of identifying developing country institutions with the capacity to execute projects or components of projects financed from the interregional and global IPFs will be continued.

Conclusions

39. When the latest information provided by organizations on the implementation of the JIU recommendations is compared with the situation as described in the report submitted to the High-level Committee at its sixth session, it is evident that little has changed during the past biennium.

40. BAPA is considered to be the basic framework for activities in support of TCDC and is still considered relevant. The recommendations of the JIU are being implemented selectively and in varying degrees by the different organizations, in accordance with their own mandates and programming and budgetary procedures. This situation appears now to be largely stabilized, and there are no indications in the reports submitted that would suggest that any dramatic changes can be expected in the next few years.

41. Despite the uneven implementation of the JIU recommendations, organizations appear to take TCDC seriously, although not on the scale that Governments would prefer. In this connection, the attention of the High-level Committee is drawn to the report on progress made during the past biennium in implementing the TCDC tasks entrusted to the UNDS by BAPA. 6/

Notes

1/ JIU/REP/85/3, issued in May 1985 (see A/40/656).

2/ TCDC/7/8.

3/ TCDC/2/2/Add.3.

4/ TCDC/7/2/Add.__.

5/ TCDC/6/2/Add.1.

6/ TCDC/7/2.